

EFFICIENCY

News From BPA—Your Northwest Energy Partner

BPA ANNOUNCES RATE DISCOUNT PROPOSAL FOR CONSERVATION AND RENEWABLES

After a long period of ramping down, most of BPA's current conservation contracts expire at the end of FY 1999. Yet load/resource deficits are predicted to emerge once again in the near future. It's not expected that BPA will continue to play the role it used to, of providing resources (either generation or conservation) to meet its customers' load growth. Utilities themselves are expected to step forward in acquiring the resources needed to meet future customer requirements.

Judi Johansen, BPA's new Administrator, has stated that she wants BPA to "reflect the values of the region" by being "an advocate and catalyst to help the region develop energy efficiency and renewable energy." BPA's recently published Subscription Strategy Proposal demonstrates our commitment to this philosophy. One of the four goals outlined in the proposal is to "provide market incentives for the development of conservation and renewables." BPA believes the growing demand for electricity may soon require the region to develop new power resources. In anticipation of that need, BPA wants to encourage customers to opt for efficiency and renewable resources by offering a rate discount for the 2001 to 2006 timeframe. BPA hopes this action will facilitate and support state legislatures and regional power planning organizations as they establish direction for the PNW's development of conservation and renewable resources.

To that end, BPA believes the Conservation and Renewables Discount needs to embrace the following criteria:

- Maximizes utility participation in the discount program;
- Utilities voluntarily choose of whether and to what extent they participate;
- Local control of the funds spent;
- Support for utilities that is proportional to the amount of power purchased from BPA;
- Maximize income transfers between BPA rate classes or utilities;
- Simple to administer and integrates well with current utility reporting requirements;
- Does not increase BPA's fixed costs, including no "centralized BPA funding" for conservation;

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BPA Announces Rate Discount Proposal for Conservation and Renewables

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- Consistent with appropriate BPA statutes and Federal laws and guided by the Comprehensive Review recommendations;
- Produces real, measurable efficiency gains and renewable energy supplies that are tracked at the regional level;
- Avoids having BPA or anyone else serve as the “conservation cop”; and
- Fosters a broad base of political support from customers and stakeholders.



Initial Rate Proposal. A working group has been formed to discuss the issues surrounding this concept. The meetings are open to interested parties.

Check BPA's Energy Efficiency (Conservation and Renewables Discount) Web page periodically for updates on the progress the working group makes in developing the initial conservation and renewables discount (<http://webxpl/Energy/N/r&rhtm>).

If you are interested in commenting on the Conservation and Renewables Discount component, or any other aspect of the BPA Subscription proposal, you have several options. You can send written comments to: Bonneville Power Administration, P.O. Box 12999, Portland, OR 97212 or fax them to (503) 230-4019. Also, if you want to E-mail your comments to BPA use this address: subscription.comments@bpa.gov. Comments must be received by Oct. 23. Additional information about BPA's Subscription proposal is available at the following address: <http://www.bpa.gov/power/subscription>.

- John B. Pyrch

Just how might the discount work?

The idea is to develop a list of pre-approved conservation and renewable measures, and to set an amount of money that reflects the appropriate cost-effective levels of investment in those measures. BPA prefers that a regional entity like the newly created, NW Power Planning Council sponsored Regional Technical Forum, determine the list of measures or criteria. In support of local control, utilities seeking the rate discount would design their own programs and choose how to direct funds in their service areas toward measures found on the list. Then, once a year, utilities file a form with BPA showing the amount spent on approved measures to qualify them for a discount off BPA's wholesale power bill.

This is a tall order. But in the spirit of public purposes leadership, BPA believes it is necessary to keep the conservation and renewables “flame burning” in the PNW. We invite and encourage your active participation to help ensure the results will be beneficial to your utility and customers.

There are many issues that need to be resolved in order to develop the conservation and renewables discount concept to a point where it can be ready for inclusion as part of BPA's



A CHANGING ENVIRONMENT

Systems Benefit Charge: The latest from Oregon

It's been some time since we addressed the topic of a systems benefit charge. When last we did, it was to share with you news of the recently passed legislation in Montana. But; while Montana works to put into practice its electric industry restructuring law including that section designed to ensure continued funding for conservation and renewables, what have the other Northwest states been doing? In this issue we offer some highlights from Oregon activity on this subject.

After spending a great deal of time during the 1997 legislative session on a restructuring bill that never left the House Power Deregulation Committee, Oregon legislators have not been active in drafting legislation in anticipation of the 1999 session. Some legislators are meeting with industrial and commercial interests in drafting a bill, but the only public manifestation of legislative interest will be shown when two committees hold a joint general information session on October 13 and 14.

Much of the action in Oregon has been at the Public Utility Commission where a wide range of parties are battling over the Customer Choice Program proposed by Enron for Portland General Electric Company's service territory. Based on promises that reach back to the PGE/Enron merger, the PGE/Enron proposal includes provisions for a 3% non-bypassable fund. PGE has committed to provide the dollar amount that a 3% charge would have raised had it been in place in 1995. Public interest groups contend that the commitment was for 3% of revenues every year, not for a flat dollar amount tied to a given year. Industrial customers believe that while the PUC has authority to implement customer choice, legislation must be enacted before it can collect a system benefits charge. Public interest groups claim



the opposite: the PUC lacks authority to approve open access without legislation but the PUC's resource planning responsibilities authorize a 3% charge.

Consumer and industrial interests have sought to develop a consensus portfolio model to replace the PGE/Enron proposal, but they have not been able to agree on how to address a system benefits charge. Industrial consumers have balked at including the full 3% charge proposed by the Regional Review and included in the 1997 Oregon legislation. There is also debate about whether the 3% is "a floor" upon which local utilities may add charges if they desire, or if it

is "a ceiling" prohibiting utilities from spending more on public purposes if they desire.

The PUC expects to make recommendations to the 1997 legislature for changes needed to implement a Customer Choice Program. Its staff has proposed a portfolio model that includes a 3% system benefits charge. Find information about the formal PGE/Enron docket (UE102) on the PUC website at <http://www.puc.state.or.us/pgceccp/main.htm>.

The future of a system benefits charge in Oregon is uncertain. Any bill next year that does not include a 3% fund will be opposed by consumer interests led by Oregon Citizens Utility Board, the Northwest Energy Coalition, and the Fair and Clean Energy Coalition. Industrial consumers and many publicly owned utilities in Oregon have not been supportive of the charge. Consumer owned utilities are interested in maintaining "local control" over the funds. The utilities — governed by locally elected boards — have opposed state mandates on raising funds, and particularly oppose state mandates on how funds could be spent. In particular they feel any funds raised by a local utility should be spent by the local utility.

- Jock Mills

**DID YOU
KNOW?**

A single dripping hot water faucet can waste 212 gallons of water per month?

PARTNERING...WHAT DOES THAT MEAN?

BPA Partnerships Help Make Energy Efficiency Happen

It's not news that BPA's role in conservation has shifted. We have moved from being the major funder of conservation initiatives in the region, to become a facilitator or catalyst helping others to realize energy efficiency opportunities through different means. This change has created debate and concern on the part of our customers and constituents. Not only because the central funding is going away, but also because to many the shrinking size of BPA's Energy Efficiency organization means fewer expert resources. Over the years BPA has built up a credible, technically competent workforce, one that customers have come to rely on for conservation support and innovation. Customers, however, are wondering if they can count on BPA for this same expertise in the future.

The answer to that is yes. Today, we focus on facilitating solutions for customers. Our emphasis is on helping customers explore the opportunities and benefits that energy efficiency offers to meet the challenges of the increasingly competitive industry. While we maintain a certain level of in-house expertise to deliver on those opportunities, BPA relies on outside partners to assure a comprehensive set of services are still available.

IT Partners Help Customers Manage Energy Use

One way BPA uses our partnership effort to meet utility needs is in the field of Information Technology. Utilities are finding that in today's changing electric industry, metering and energy accounting services can be valuable energy management tools for their end-use customers.

Currently, BPA has partnerships in the form of facilitation agreements with four metering and data collection type of private sector companies. Collectively, they present a wide range of products and services that offer varying solutions to the individual needs of both utilities and end-use customers. The four companies are:

American Innovations Ltd. – Offers an automatic meter reading (AMR) system for electric utilities. This system also collects usage from encoded gas and water meters. It can handle a large number of customers and has comprehensive AMR registers (consumption, time of use, demand) and interval load profiling data that's retrievable via inbound telephone modem. The system can be justified for several features, such as automatic and remote meter reading, load profile data, and outage reporting. Their residential unit fits under glass in most residential electric meters. The commercial unit is a small stand alone component that attaches to most meter bases using available knock-out.

Energard Corp. – Manages resource accounting information. The customer has Web access to data and ready made graphs and reports about their resource usage patterns. This system uses pulse-metered data or monthly bill data. Can be a beneficial tool for facility managers in managing and maintaining building operations. Especially good for customers who desire minimal data management. Is useful for single point or multiple facilities (e.g. hotel chains, schools, and institutional buildings).

EnerLink – A power supply/purchase and demand analysis software tool. This system downloads interval load profile data from existing utility meters. It is used for cost benefit analysis and plotting. Not intended as a data retrieval tool for a large quantity of customers. The system can be useful as a load retention tool for major customers of electric utilities or for large commercial/industrial facilities that want to study their loads.

TeCom – Offers resource accounting that is managed by the customer. Customers operate the software on their own PC. Extended graphing and reporting are possible with this system, which uses pulse-metered data. It's a good tool for facility managers, and especially for customers who desire extensive plotting and data summary features. The system is useful for single point or multiple facilities (e.g. hotel chains, schools, and institutional buildings).

It's partnerships like these and others that help BPA fill niches in service that our customers find of value. By partnering, BPA and private businesses make the commitment to work together to bring energy efficiency solutions to the Northwest.

- Tony Koch

BPA Partnerships Help Make Energy Efficiency Happen

Continued

By partnering with private firms, that specialize in technical design, product installation, operations and maintenance, offer financing or other energy-related services, we can ensure the right mix of expertise is still available for any given project. In many cases, to provide a successful solution, a private sector partner is the *technical expert*. We believe that, facilitating a private sector partner can often provide a more *timely response* to a customer's need. And, a partner may be the most *cost-effective* means of finding a solution. We choose our partners strategically and as-needed. That way a customer's needs can be individually matched with a partner that fits the specific circumstances. BPA supplies partners by playing three different roles:

1. *General Contractor by Subcontracting*. BPA serves as general contractor and subcontracts through its procurement

process to a private sector firm.

2. *Facilitator or Aggregator* - BPA facilitates the connection between customer and partner. Aggregating means BPA might bring more than one partner together to find a solution for the customer.

3. *Strategic Alliance* - BPA works with a partner to develop an alliance that can help fulfill a customer need.

Over the years BPA has achieved national and international acclaim as a leader in the field of energy efficiency. We expect to continue that leadership by remaining an important voice and contributor to making conservation and renewables a valuable part of Pacific Northwest electric industry restructuring.

- Sharon Doggett

OCEEE Grants Available

The Oregon Collaboration for Energy Education and the Environment (OCEEE) is once again sponsoring a small grants program to fund energy education projects in Oregon schools. Grants in amounts up to \$1000 may be awarded. Public and private schools, districts, teachers, classrooms, students, and student organizations involved with kindergarten through 12th grade education in Oregon may apply. Projects proposed must have a link to energy.

Applications are available from the Oregon Office of Energy or electronically by contacting David Philbrick through email (philbrid@enr.orst.edu). These must be post marked no later than Nov. 13 to be considered for this 1998-1999 funding cycle. Grants

will be awarded in early January and can be used during either the 1998-1999 or 1999-2000 school years. Further information about eligibility, application and how to learn more about projects already funded by this effort is also available in BPA's Energy Efficiency web site at <http://webxp1/Energy/N/GRANTPAK.DOC>.

The OCEEE is a partnership among Pacific Power, Portland General Electric, Northwest Natural, Bonneville Power Administration, Oregon Office of Energy, Oregon State University Extension Energy Program, Northwest Power Planning Council/Oregon, and Oregon Department of Education.

- Elly Adelman

A YEAR IN REVIEW

September '98

Conservation renewables discount announced as part of the subscription proposal

July '98

Low Income Weatherization Extensions became effective

May '98

CIGMOD Seminar in Brazil

March '98

BPA receives the National End-Use Leadership Award for the ASDMaster Industrial Software

January '98

Tacoma connects its first customer to the new fiber-optic network.

November '97

"CHUMS" reconvenes

August '98

Energy '98 Conference

June '98

Judi Johansen returns to BPA as Administrator

April '98

NEEA and Siemens Solar Industries agree to share the cost of energy efficiency improvements for silicon crystal production

February '98

The Washwise front loading washing machine exceeded 18% of the market saturation level for the first quarter.

December '97

B.C. Hydro reports annual energy savings of 260+ aMW through Power Smart program.

October '97

The President's Million Solar Roofs Initiative is launched.

The accomplishments above are only a sample of the many achievements made in the energy efficiency industry region/worldwide during Fiscal Year 98.

- Sheila Meyer

TRAINING

NWPPA Training — For more information please contact the NWPPA office.

October

22-23 Power Quality Workbook Workshop, Seattle, Wash.

26-28 NWPPA/APPA Energy/Customer Service & Communications Workshop, Salt Lake City, Utah

November

3-4 Creating Customer Focused Business Operations, Portland, Ore.

5-6 NWPPA/APPA Utility Security-Establishing an Effective Loss Prevention Program, Portland, Ore.

December

3-4 Unbundling Distribution Costs (436.2), Kodiak, Ala.

EPRI Training

October

19-21 Advanced Power Quality Workshop, Knoxville, Tenn., Contact No. (423) 974-8288

November

2 Business Opportunities for Power Quality Programs, Corpus Christi, Texas, Contact No. (650) 855-2899

9-11 PQA '98 Southern Hemisphere Conference and Exhibit, Cape Town, So. Africa, Contact No. (650_ 855-2899

16-18 Advanced Power Quality Workshop, Location to be announced, Contact No. (423) 974-8288

December

7-9 Power Quality Technical Training, Knoxville, Tenn, Contact No. (423) 974-8288

Energy Efficiency Customer Service Team Grows

Rick Miller, from BPA's Spokane Office, joins BPA's team of Energy Efficiency Representatives (EER). As the newest EER he will be working closely with Tim Scanlon, Federal Market Lead. Miller's recent efforts in helping customers include a water reclaim project for General Services Administration and efficient lighting at Spokane's Fairchild Air Force Base. His deep knowledge of Federal customers and substantial experience with project management will greatly enhance Energy Efficiency's continued service to customers, particularly in the Federal market.

Make the Northwest Energy Efficiency Business Listing Connection.



Plug into the Business Listing at BPA's web site:
<http://www.bpa.gov/cgi-scripts/NCS/CustHome.asp>

Create a hyperlink from your web page to the Business Listing and bring this valuable service directly to your customers.

Add your utility to the Business Listing. To find out how, call (509) 358-7474.

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We would like to hear from
you .

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